

EXHIBIT C

B

P&O admits in their brief that "the Utah Supreme Court has considered the tort of unfair competition primarily in the context of palming off and misappropriation of goodwill." (Appellants' Br. at 41.) Both "palming off" and "misappropriation of goodwill" involve situations in which a company attempts to profit from the reputation of its competitor by selling one of its own products as that of its competitor or misappropriating a trademark belonging to its competitor. See, e.g., *Allen Priedt v. Glaxo*, 414 P.2d 93, 95 (149 USPQ 795) (Utah 1966). That is not what occurred in the instant case, and it is not our place to expand Utah state law beyond the bounds set by the Utah Supreme Court or, in the absence of Utah Supreme Court precedent, by the lower Utah courts. See *Sellers v. Allstate Ins. Co.*, 82 P.3d 350, 352 (10th Cir. 1996). ("Our duty as a federal court sitting in diversity jurisdiction is ... to ascertain and apply the most recent statement of state law by the state's highest court." (quoting *Wood v. Eli Lilly & Co.*, 38 F.3d 510, 513 (10th Cir. 1994)); *Taylor v. Phelan*, 9 F.3d 882, 887 (10th Cir. 1993). ("As a federal court, we are generally reluctant to expand state law without clear guidance from [the state's] highest court.")

IV

The judgment of the district court is AFFIRMED as to all claims except the court's grant of summary judgment on P&O's last-in-Aid claim and its dismissal of P&O's Utah tortious interference claim, as to which we REVERSE and REMAND for further proceedings in accordance with this opinion.

Court for the Southern District of Texas after judgment was entered by the district court in the present case has no effect on our ability to resolve this appeal. See *Priddy v. Eichenman*, 881 F.2d 438, 442 (6th Cir. 1989); *Flood v. Harrington*, 333 F.2d 1248, 1250 (9th Cir. 1976). The legal implications can be addressed on remand when there will be an opportunity to develop a record on the nature and factual bases for the dispositive claim in Texas and to configure those with the nature and factual basis for the claim in the instant case. See *Western Mutual Guar. Co. v. Graduate*, 901 F.2d 678, 681-82 (10th Cir. 1991).

U.S. Court of Federal Claims

B.E. Meyers & Co. v. United States

No. 97-120C

Decided July 21, 2000

PATENTS

(1) Practice and procedure in Patent and Trademark Office — Reissue — Broadened claims sought (§ 110.1313) or narrow (§ 125.1303)

Patent for infrared illuminator is not invalid for violation of "recapture rule," which prohibits patentee from using reissue process to regain protection for subject matter surrendered "during" original prosecution, even though related claims are broader than original claims, since "broadening reissue" is permitted if patentee demonstrates that it did not claim all inventions actually disclosed in original application, and since plaintiff's definition of "pulsing diode" and "substantial pulsing current" limitations did not effect improper recapture of surrendered subject matter. In that subject matter protected in new reissue claims deals only with lens system of device, not with any type of pulsing circuitry, and plaintiff's cannot rely on its reissue claims to protect any type of pulsing circuitry taught in prior art.

(2) Practice and procedure in Patent and Trademark Office — Reissue — Same Federal district court in determining whether reissue claims are for same invention disclosed in original application must examine entirety of disclosure and decide whether, through "objective eyes" of someone having ordinary skill in art, plaintiff could fairly have claimed newly submitted subject matter in original application, but for inadvertent error that is basis for reissue claim; in present case, relevant inquiry is whether someone skilled in pertinent art, after reviewing plaintiff's disclosure in connection with its original application for patent on infrared illuminator, would have considered "pulsing diode" to be necessary or critical element of plaintiff's basic invention, and this determination involves essentially factual inquiry confined to objective patent manifested by original patent.

(3) Practice and procedure in Patent and Trademark Office — Prosecution — Declaration/affidavits (§ 110.0913) Practice and procedure in Patent and Trademark Office — Reissue — Error without deceptive intent (§ 110.1303)

Reissue declarations submitted by infringing plaintiff, satisfied requirements of 35 U.S.C. § 251, and its implementing regulations, since declarations were reviewed and approved by U.S. Patent and Trademark Office, and defendant should be afforded PTO's decision in this regard, since declaration of founder and president of plaintiff company, explained that attorney who prepared and filed original specification failed to recognize that subject matter covered in reissue claims was not disclosed or made obvious by prior art at time of original application, and since such recitation is generally sufficient to satisfy "error" requirement of Section 251, although declarations do not fully specify and discuss each unnecessary limitation present in original claims and omitted from reissue claims, applicant is only required to identify differences between original and reissue claims, and need not form discussion solely in terms of necessary and unnecessary limitations, and level of detail provided in plaintiff's declarations is sufficient to satisfy requirements of Section 251.

FACTUAL BACKGROUND

Plaintiff is a manufacturer of various night-vision devices. Among these devices are night-vision devices referred to by the parties as "infrared illuminators." The early versions of these devices were essentially high-powered flashlights with infrared ("IR") LEDs used as lens tips, provided along a viewer. The later version, referred to by the parties as the second-generation illuminator, abandoned the use of the flashing/IR filter combination. Instead, the illuminator housed an IR Light Emitting Diode ("LED") which projected an infrared beam through a lens system that focused the infrared light. The entire system was encased in a housing and then mounted atop a viewer that allowed the user to see objects illuminated by the infrared beam. In the original patented version of plaintiff's device, the IR-LED was designed to pulse on and off while in operation, in order to prevent the diode from burning out.

Plaintiff later sought to have patent No. 572 reissued in broader form, alleging that the original patent was too narrow in that it included limitations related to the pulsing of the IR LED within the original patent's broadened claim. In its reissue application, plaintiff indicated that it believed its lens system capable of "pulsing" the energy from its source of electromagnetic radiation into a beam with a

B.E. Meyers is founder and president of B.E. Meyers, Inc. ("BEM"). Mr. Meyers himself, as well as BEM, appears as parties in this action. They will be referred to collectively as "Plaintiff."

Particular patents — Electrical — Night vision devices

Re. 33,572. Meyers, invisible light beam projector and night vision system, plaintiffs motion for summary judgment that patent is not invalid granted in part.

Action by B.E. Meyers & Co. Inc. and Brad E. Meyers against the United States for patent infringement. On parties' cross-motions for summary judgment on issue of patent validity, Plaintiff's motion granted in part and denied in part; defendant's motion denied. Plaintiff's attorneys: William Toome, Bellevue, Wash; for Plaintiff: Chub-I Chiang, Frank W. Hunger, assistant attorney general, Victor J. DiPietro, director, and John Eargo, all of U.S. Department of Justice; Washington, D.C. for defendant: Bruggink, J.

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well defined peripheral edge" was in fact a separate invention that qualified for independent protection, regardless of whether particular-pulsing circuitry was used to control the power supply to the IR LED. Plaintiff's reissue application was ultimately granted after being reviewed by the same Patent and Trademark Office ("PTO") examiner who dealt with plaintiff's original claim.

In its motion, defendant attempts to show that plaintiff's re-issue patent for the illuminator is invalid for several reasons. It first asserts that plaintiff violated the "on-sale bar" rule of 35 U.S.C. § 102(b) (1994) by offering to sell the patented device more than one year before it actually applied for patent protection. Second, it claims that plaintiff improperly used the reissue process to "recapture" subject matter that it surrendered in order to distinguish its device from other pre-existing inventions during the original patent application process. Third, it argues that plaintiff's reissue claims are invalid because they do not cover the same device described in plaintiff's disclosure. In connection with its original patent application, finally, it asserts that plaintiff's reissue claims are invalid because plaintiff's reissue declarations are not sufficiently detailed. Plaintiff cross-moves for summary judgment, arguing that defendant's theories are without merit, and that, because defendant has not pointed to further flaws in its patent, the court should declare the patent valid.

Plaintiff's statement of genuine issues identifies a number of defendant's proposed facts with which it disagrees. As defendant correctly points out, many of plaintiff's "genuine issues" simply quibble with the phraseology of defendant's proposed facts. There are, however, sufficient disputes of material fact in connection with defendant's first and third theory to render summary judgment inappropriate for either party. As for defendant's remaining two theories of invalidity, the court concludes that summary judgment in favor of plaintiff is appropriate.

DISCUSSION

Patents are presumed valid. See 35 U.S.C. § 282 (1994). Defendant thus bears the burden of establishing invalidity by clear and convincing evidence. See *Arko v. E.I. Du Pont de Nemours*, 810 F.2d 1148, 1150-51 (1 USPQ2d 1704) (Fed. Cir. 1987). Defendant also bears the burden of proof in challenging plaintiff's

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evolved, the terms used to describe the devices, namely infrared spot illuminators or IR illuminators, remained the same. For this reason, according to plaintiff's references to IR illuminators in plaintiff's 1983 correspondence with customers do not necessarily indicate that the product being referred to is the specific IR illuminator for which BEM eventually sought and received patent protection.

The first example of an alleged commercial offer for sale relied on by defendant is based on an August 31, 1983 letter from BEM to a Mr. Killion. The relevant portion of this letter indicates that BEM is offering Mr. Killion a new product not yet described in BEM marketing brochures:

There is one product we have just completed that you will not find a flyer on. However, I think you would find it appealing so I will describe it to you. It is a 2nd generation night vision device similar to the Noctron V. It is a more compact package made to accept camera lenses of your choice, has a 2" view screen on the back, and comes with a near-infrared spotlight attached to the side. The spotlight provides added illumination in minimal light situations. The total package sells for \$2,995.00. The parties vigorously dispute whether the "near-infrared spotlight" mentioned in this letter is a first generation flashlight with an IR filter, or the second generation illuminator with an IR LED. The latter is the device that was ultimately patented by BEM. If it referred to the former, then the letter to Mr. Killion was not an offer to sell the patented device. If it was the latter, however, then the letter was an offer to sell the patented device, and the only issue remaining would be whether the device itself was ready to patent at some time prior to the critical date.

Defendant points out that the reference to a new product in the Killion letter encompassed both the viewer and the near-infrared spotlight. It points to exhibits of earlier BEM product brochures, which offered to sell a flashlight and an IR filter, and which referred to these items as an "infrared and white illuminator." These exhibits show that the flashlight and IR filter were joined and sold separately. This shows, according to defendant, that the near-infrared spotlight referred to in the Killion letter had to be something other than the flashlight and IR filter, because the Killion letter is discussing a new product not

illustrated in BEM brochures, yet the flashlight and IR filter had been offered and sold in BEM brochures since at least 1982.

Defendant also relies on deposition testimony from a Mr. George Luginbill, a former BEM sales representative who worked with BEM until September 1983. Mr. Luginbill, whose signature appears at the bottom of the Killion letter, testified that he believed the near-infrared spotlight referred to in the Killion letter was "the prototype infrared illuminator," and not the Streamlight flashlight with an IR filter. Defendant argues that the prototype illuminator referred to by Mr. Luginbill was what both parties call the "smoking model" of the IR illuminator, which used an IR LED to project a beam of infrared light that could be seen through a viewer. The smoking model was plaintiff's earliest version of the device that eventually became the patented illuminator.² Defendant argues that Luginbill's testimony shows that plaintiff was offering to sell Kannon the same illuminator for which plaintiff ultimately received patent protection.

Defendant attempts to draw a connection between the device offered in the Killion letter and the device offered and photographed in connection with a September 19, 1983 letter sent to a Mr. Ross Kruglak, another BEM customer. Defendant references BEM orders from September 6 and September 15, 1983, which indicate that Mr. Killion had purchased a Dark Invader second generation night viewer along with an "infrared spot illuminator." Defendant then points to the September 19 letter to Mr. Kruglak, in which Mr. Meyers indicates he is enclosing pictures of a second generation Dark Invader image intensifier along with an attached infrared spot illuminator. Defendant argues that a physical configuration of the device in the photo refutes any possibility that the infrared spot illuminator was merely a flashlight with an IR filter. There, according to defendant, because the infrared spot illuminator in the photo accompanying the Kruglak letter is not a flashlight, and because the Killion work orders indicate that he had ordered an infrared spot illuminator, the near-infrared spotlight referenced in the August 31 Killion letter must have been a new type of illuminator similar to the one referred

² It was called the smoking model because the IR LED would burn out after approximately one hour of continuous use.

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enced in the Kruglak letter, and not, as plaintiff would have it, a flashlight with an IR filter attached.³

Defendant's final argument relates to BEM's November 1983 invoice to Killion. In it, BEM informs Killion that he is receiving a Dark Invader night viewer, but not an infrared spot illuminator. The invoice explains that the infrared spot illuminator is back-ordered because BEM had not received its "infrared emitters." Defendant, citing to Mr. Meyers' deposition testimony, argues that these "emitters" were similar to the IR LEDs used in the deposition that BEM did not refer to the flashlight and IR filter an emitter. Defendant argues that this supports the conclusion that the illuminator prepared for Mr. Killion in November of 1983 was the same as the patented IR LED illuminator, and not a flashlight with an IR filter.⁴

In response to defendant's first point, plaintiff argues that the new product described in the Killion letter was the second generation Dark Invader viewer, and that there is nothing in the language of the letter to support defendant's contention that the "near-infrared spotlight" was being touted as a new product.

In response to defendant's second argument, plaintiff offers testimony from another BEM employee, Mr. Paurek. He was shown the Killion letter, and testified that he believed, given the date of the letter, that it referred to the flashlight with IR filters as opposed to the IR LED illuminator. Plaintiff also

³ Defendant also argues that the Kruglak letter refers to an IR filter as an item that could be purchased separately and used with a Straylight flashlight. It asserts that the filter appears as a separate item in the photograph. Defendant contends that because the letter and the photograph make a distinction between an infrared spot illuminator and an IR flashlight and filter, it would be unreasonable to infer that they were one and the same.

⁴ In connection with this argument, defendant also points to a letter from Meyers to a Mr. Paul Gerschlager of the U.S. Army. The letter, dated November 18, 1983, discusses an infrared spot illuminator that could produce a magnified spot of a diameter of approximately 400 feet. Defendant argues that the characteristics of the illuminator described in the Gerschlager letter are the same as those described in plaintiff's new product bulletins for the patented illuminator. Defendant also points out that Mr. Meyers admitted during his deposition that the illuminator referenced in the Gerschlager letter may have been the smoking model. Meyers' testimony, however, is equivocal as to what he was administering.

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an unbroken chain of development for a prototype illuminator that lasted into late 1983, and that much of the 1983 sales activity pointed to by defendant involved this FBI prototype, later abandoned, as opposed to the prototype of the patented illuminator. At oral argument, plaintiff also sought to clarify its position on this issue by arguing that nearly all of the developmental work on the patented illuminator actually took place during a relatively compressed time period in late 1983 and early 1984.

Although defendant has put forward substantial evidence that the patented product was on sale more than one year prior to patenting, there is some contrary evidence. In the end, the issue as to what was for sale is one of fact, and it is contested. Proper evaluation of the evidence requires the court to assess the credibility of witnesses and to draw inferences from sometimes conflicting pieces of documentary evidence. The court therefore cannot appropriately enter summary judgment in favor of either party in connection with defendant's first theory of invalidity.

Surrender and Recapture

Defendant's second theory is that plaintiff's patent is invalid because it allegedly recaptures subject matter surrendered by plaintiff during prosecution of its original patent. Defendant alleges that plaintiff surrendered subject matter regarding its pulsing diode during its initial application, and then deleted the same limitations while seeking approval for its reissue claims. See *Mentor Corp. v. Coloplast, Inc.*, 998 F.2d 992, 995-96 (7 USPQ2d 1521) (Fed. Cir. 1993) (discussing "recapture rule," which prohibits patentee from using reissue process to regain protection for subject matter surrendered during original prosecution).

Plaintiff argues that the entire pulsing diode limitation was unnecessary to begin with, and that the only surrendered subject matter relates to limitations added to the original and unnecessary pulsing diode limitation. Therefore, plaintiff argues, it was free to remove the entire pulsing diode limitation, which by definition includes the added limitations, from its broadening reissue claim. This left plaintiff free to protect what the PTO examiner indeed found to be an independent invention, namely a light source that, when focused through a particular lens system, was capable of projecting a beam having a well-defined peripheral edge.

Plaintiff argues that the entire pulsing diode limitation was unnecessary to begin with, and that the only surrendered subject matter relates to limitations added to the original and unnecessary pulsing diode limitation. Therefore, plaintiff argues, it was free to remove the entire pulsing diode limitation, which by definition includes the added limitations, from its broadening reissue claim. This left plaintiff free to protect what the PTO examiner indeed found to be an independent invention, namely a light source that, when focused through a particular lens system, was capable of projecting a beam having a well-defined peripheral edge.

A party may broaden its patent while applying for a reissue claim. The law does not, however, permit attempts to recapture subject matter affirmatively surrendered during the initial patent prosecution, particularly where the purpose of surrender was to distinguish the claimed invention from the prior art. See *Mentor Corp.*, 998 F.2d at 995-96.

The first step in applying the recapture rule is determining "whether and in what respect the reissue claims are broader than the original patents." See *Häter Industries, Inc. v. Stein*, 142 F.3d 1472, 1480 (46 USPQ2d 1641) (Fed. Cir. 1998). The second step is to determine whether the broader aspects of the reissue claim relate to subject matter surrendered during the prosecution of the original patent. See *id.* Determining whether a reissue claim is broader than a canceled claim involves more than simply counting the number of claim elements or claim limitations. See *Bail Corp. v. United States*, 729 F.2d 1429, 1436 (22 USPQ2d 969) (Fed. Cir. 1984). If a reissue claim broadens a patent in a way that does not attempt to recapture what was surrendered earlier, the recapture rule does not apply. See *Mentor Corp. v. Coloplast, Inc.*, 998 F.2d 992, 996 (27 USPQ2d 1521) (Fed. Cir. 1993).

(3) In the present case, the parties agree that the first step towards applying the recapture rule has been satisfied, in that the reissue claims are broader than the original claims for which plaintiff received patent protection. Indeed, plaintiff concedes that the entire purpose in seeking the reissue patent was to broaden the protection it had obtained in the original patent. The dispute concerns whether the broader aspects of the reissue claim attempt to recapture subject matter surrendered during the prosecution of the original patent.

In this case, plaintiff surrendered the right to have patent protection for a generic pulsing circuit in its original claim, because such pulsing circuitry was already taught by the prior art; specifically Kaplan 4,290,043 and Laughlin 4,129,780. Plaintiff distinguished the original claim by adding two limitations: (1) that the circuit would pulse on and off at intervals that resulted in it being off more often than on; and (2) that the pulsing circuit, when on, would pulse at a substantially higher level of power than it would be able to sustain if left on continuously. These limitations are referred to by the parties as the pulsing diode and substantial pulsing current limitations, respectively.

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Plaintiff's initial patent application included a pulsing circuit element in each of its independent claims. Plaintiff added these limitations to its independent claims because the patent examiner believed that plaintiff's original proposed pulsing circuitry was too close to the prior art to receive patent protection. In adding these limitations, plaintiff surrendered the right to receive patent protection for pulsing circuitry that did not include these features. In essence, plaintiff conceded that more generic forms of pulsing circuitry had already been patented by other inventors.

Subsequent to receiving its original patent, BEM, acting within the approximate time period as defined by statute, petitioned for reissuance of the patent in broader form, on the grounds that BEM's attorney had not claimed all of the inventions actually disclosed in the original application. Such a "broadening reissue" is permitted pursuant to 35 U.S.C. § 251, and the reissue statute is to be construed liberally. See *In re Wheller*, 790 F.2d 1576, 1579 (229 USPQ 673) (Fed. Cir. 1986). During the course of prosecuting its reissue claims, plaintiff contended, and the PTO examiner ultimately agreed, that a lens apparatus that produced a beam with a well-defined peripheral edge was in fact a separate invention eligible for patent protection, independent of whatever type of pulsing circuitry might be used in combination with the lens system in any particular device. In order to receive protection for this aspect of its invention, plaintiff had in its reissue claims, of course, in doing so, plaintiff deleted the specific pulsing diode and substantial pulsing current limitations that had been added to its original claim to distinguish the prior art.

Contrary to defendant's argument, plaintiff's deletion of the pulsing diode and substantial pulsing current limitations did not effect an improper recapture of surrendered subject matter. The subject matter protected in the new independent reissue claims dealt only with the lens system; it had nothing to do with any type of pulsing circuitry. During the original patent prosecution, the examiner made plaintiff aware that it could not receive protection for its basic pulsing circuit design because such pulsing circuitry was already taught by the prior art. In this regard, nothing changed after the reissue process. Plaintiff still cannot rely on its reissue claims to protect any

ely in granting the independent reissue claims, because an invention having this combination of elements could be reduced to practice by someone skilled in the art following a review of the original patent specification.

[2] The description of plaintiff's device in the independent reissue claims incorporates four basic elements: a housing, a source of electromagnetic radiation in said housing, and a lens system arranged in such a way that the light from the source of radiation is focused into a beam having a well-defined peripheral edge. These four elements can be extracted from the original patent specification, but the original specification was far more specific with respect to the source of the beam. Rather than referencing "a source of electromagnetic radiation," the independent claims, described in the original specification referenced a control circuit that pulsed an IR LED on and off in a particular manner in determining whether the new claims are for the invention originally disclosed in the first application, the court must examine the entirety of the disclosure and decide whether, through the "objective eyes" of someone having ordinary skill in the art, plaintiff could fairly have claimed the newly submitted subject matter in the original application, but for the inadvertent error that is the basis for the reissue claim. See *In re Amos*, 953 F.2d 613, 618 (21 USPQ2d 1271) (Fed. Cir. 1991).

As applied to the pending motion, the relevant inquiry is whether someone skilled in the art, after reviewing plaintiff's disclosure in connection with its original application, would

* Although not dispositive at this stage, the court notes that there is a significant tension between plaintiff's arguments on the "original patent" theory and the "non-sale bar" theory. Plaintiff attempts to avoid the sale bar, in part, by arguing that any sales activity in 1993 was irrelevant, because the invention was not ready for patenting until BEM had solved the technical problem of from baring out was the pulsing control circuit described in the independent claims of plaintiff's original patent. This pulsing control circuit, however, was removed from the independent reissue claims. Plaintiff justifies this removal of the pulsing control circuit by arguing that it was "an irrelevant feature" (i.e., that it was not included in plaintiff's specification). This argument to reject plaintiff's argument that its invention was not ready for patenting until BEM had successfully incorporated the pulsing control circuit into the original

have considered the pulsing of the diode a necessary or critical element of plaintiff's basic invention. See *In re Peters*, 723 F.2d 891, 893-94 (221 USPQ 952) (Fed. Cir. 1983). This determination involves "an essentially factual inquiry involved in the objective intent manifested by the original patent." See *In re Rowland*, 526 F.2d 558, 560 (187 USPQ 487) (CCPA 1975). The court, however, has not heard testimony on this issue; not have the parties submitted expert affidavits discussing how someone skilled in the art would have evaluated the necessity of pulsing at the time of plaintiff's original disclosure. Summary judgment, therefore, cannot properly be granted in favor of either party on this issue.

Reissue declarations

Defendant's final theory is that plaintiff's reissue claims are invalid because the reissue declarations filed by Mr. Meyers in support of those claims lack sufficient detail. Defendant argues that plaintiff's declarations must show when and why the error in its original patent application arose, as well as how and when the alleged error was discovered. See *Hewlett-Packard Co. v. Boush & Lomb, Inc.*, 882 F.2d 1556, 1565 (11 USPQ2d 1750) (Fed. Cir. 1989), cert. denied, 493 U.S. 1076 (1990). Plaintiff acknowledges that its reissue declarations must contain such information, but contends that it has satisfied the requirements of 35 U.S.C. § 251 and its implementing regulations dealing with reissue declarations. See 37 C.F.R. § 1.175 (1986).

[3] The court concludes that plaintiff's declarations are sufficient. Initially, the court notes that the declarations were reviewed and approved by the PTO, and that defendant should be afforded the PTO's decision in this regard. See *Azko*, 810 F.2d at 1150-51. Mr. Meyers, BEM's founder and president, filed an initial declaration in which he explained that the attorney who prepared and filed the original specification failed to recognize that the subject matter covered in the independent reissue claims was not disclosed or made obvious by the prior art at the time of the original application. Such a recitation is generally sufficient to satisfy the "error" requirement of section 251. See *Heater Industries, Inc.*, 142 F.3d at 1479-80 ("One of the most commonly asserted 'errors' in support of a broadening reissue is the failure of the patentee's attorney to appreciate the full scope of the invention during the prosecution of the

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original patent application. This form of error has generally been accepted as sufficient to satisfy the "error" requirement of § 251 ("internal citations omitted").

Defendant seeks further explanation of how the error arose, but, citing *In re Aranz*, 952 F.2d at 615, admits that "an acceptable explanation" could simply have explained that the alleged error was due to an oversight by the prosecuting attorney. The court, however, sees no meaningful distinction between the "attorney oversight" explanation accepted in *Amar* and plaintiff's allegation that his attorney "failed to recognize" the proper scope of the invention.

Defendant, relying on *In re Constant*, 827 F.2d 729 [3 USPQ2d 1762] (Fed. Cir. 1987), also complains that plaintiff's declarations do not fully specify and discuss each unnecessary limitation present in the original claims and omitted from the reissue claims. As plaintiff points out, however, *Constant* simply requires the patentee to identify the differences between the original claims and the reissue claims, and it does not require the patentee to frame the discussion solely in terms of necessary and unnecessary limitations. Plaintiff's supplemental reissue declaration undertook a line-by-line identification of the differences between the original claims and the reissue claims, and the level of detail provided in the supplemental declaration is sufficient to satisfy the requirements of section 251. Accordingly, defendant's cross-motion for summary judgment on this theory is denied, and plaintiff's cross-motion for summary judgment is granted.

CONCLUSION

The parties' cross-motions for summary judgment in connection with the on-sale bar theory and original patent theory of invalidity are denied. Plaintiff's cross-motion for summary judgment is granted with respect to the recapture theory of invalidity and the sufficiency of plaintiff's reissue declarations. On or before August 18, 2000, the parties are directed to provide the court with a joint status report outlining a proposed schedule for further proceedings.

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is no more than agreement not to use his ideas without permission or payment, and since this alleged contract did not regulate parties' conduct beyond mere use of plaintiff's ideas.

COPYRIGHTS

[3] Elements of copyright — Federal preemption — Statutory preemption (§ 205.0803)

TRADEMARKS AND UNFAIR TRADE PRACTICES

Unfair competition — Preemption (§ 395.02)

Rights asserted in plaintiff's claim for breach of confidential arrangement, which is based on alleged misappropriation of idea for children's television program, are equivalent to exclusive rights granted by Copyright Act, and claim therefore is preempted by 17 U.S.C. § 301(a), since plaintiff does not allege that parties formed explicit agreement of trust or confidentiality, and since facts alleged by plaintiff describe parties acting "at arm's length, with no prior dealings, no promise of confidentiality, and no employment or personal relationship that could give rise to duty of trust, and thus do not support plaintiff's contention that dealings and relationships between parties gave rise to "implied" duty of confidentiality.

Action by Steven Fischer and Blue Dog Productions Inc. against Viacom International Inc. and MTV Networks Inc. for violation of Lanham Act, breach of contract, and breach of confidence. On defendant's motion to dismiss. Granted in part and denied in part.

Harold M. Walter and Boyd K. Rutherford of Tydings & Rosenberg, Baltimore, Md., for plaintiffs.

Elizabeth A. McNamara, of Davis, Wright & Tremaine, New York, N.Y.; Michael S. Libowitz, and Michael John Collins, of Thomas & Libowitz, Baltimore, for defendants.

Molz, J.

This case is before the Court on a motion to dismiss filed by the Defendants, Viacom International Inc. and MTV Networks Inc. (collectively "MTVN"). The Plaintiff, Steven Fischer, filed a complaint in the District Court

for Anne Arundel County, Maryland, on December 4, 1999, asserting claims for breach of contract, violation of the Lanham Act, and breach of confidence. MTVN removed the case to this court on February 4, 2000, and filed its motion to dismiss on April 3, 2000.

The Fourth Circuit recently summarized the basic principles governing the resolution of motions to dismiss under Federal Rule 12(b)(6):

The purpose of a Rule 12(b)(6) motion is to test the sufficiency of a complaint; "importantly, [a Rule 12(b)(6) motion] does not resolve contests surrounding the facts, the merits of a claim, or the applicability of defenses." *Republican Party v. Martin*, 980 F.2d 943, 952 (4th Cir. 1992). Accordingly, a Rule 12(b)(6) motion should only be granted if, after accepting all well-pleaded allegations in the plaintiff's complaint as true and drawing all reasonable factual inferences from those facts in the plaintiff's favor, it appears certain that the plaintiff "cannot prove any set of facts in support of his claim entitling him to relief." *See id.* We do note, however, that for purposes of Rule 12(b)(6), we are not required to accept as true the legal conclusions set forth in a plaintiff's complaint. *See District 28, United Mine Workers of Am., Inc. v. Wellmore Coal Corp.*, 609 F.2d 1083, 1085 (4th Cir. 1979).

Edwards v. City of Goldsboro, 178 F.3d 231, 233-34 (4th Cir. 1999). Exhibits attached to the pleadings are considered part of the complaint. *See Fed. R. Civ. P. 10(c)*. Where matters outside the pleadings are considered by the court, a defendant's motion to dismiss will be treated as one for summary judgment under Rule 56. *See Fed. R. Civ. P. 12(b)(6)*.

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In the late 1970s, Steven Fischer created an animated "character" team called "Steve & Bluey," comprised of "a guy named 'Steve' and his blue dog named 'Bluey.'" This character team served as the basis for numerous copyrighted works between 1989 and 1993, including an unpublished manuscript, *Bluey and His Friend the Bluester*, and a published collection of comic strips titled *There's a Blue Dog Under My Bed*. In 1990, Fischer incorporated Blue Dog Productions, Inc., to publish